

UTAH COUNTIES INDEMNITY POOL

BOARD OF TRUSTEES MEETING

Thursday, November 15, 2012 7:00 p.m.

Entrada at Snow Canyon Country Club, 2537 W. Entrada Trail, St. George, UT

AGENDA

6:00 Dinner Provided

7:00 Call to Order

Kay Blackwell

ITEM ACTION

1 Review/Excuse Board Members Absent Kay Blackwell

2 Zions Wealth Management Quarterly Report Greg Aiken
Scott Burnett

3 Approve October 4, 2012 Meeting Minutes Steve Wall

4 Ratification and Approval of Payments and Credit Card Transactions Steve Wall

5 Review/Approve Third Quarter Financial Statements Sonya White

6 Review/Approve Tooele County Contribution Adjustment Johnnie Miller

7 Review/Approve Net Asset Management Policy Johnnie Miller

8 Review/Approve Terms of UAC Relationship Proposal Kay Blackwell

9 Set Date and Time for Closed Meeting
to Discuss Character, Professional Competence, Physical/Mental Health of an Individual Kay Blackwell

10 Action on Personnel Matters Kay Blackwell

11 Set Date and Time for Closed Meeting
to Discuss Pending or Reasonably Imminent Litigation Kay Blackwell

12 Action on Litigation Matters Kent Sundberg

INFORMATION

13 Nominating Committee Report Jim Eardley

14 Review Proposed Changes to the Bylaws Coverage Addendum Johnnie Miller

15 Chief Executive Officer's Report Johnnie Miller

16 Other Business Kay Blackwell



BOARD OF TRUSTEES' MEETING MINUTES

November 15, 2012, 7:00 p.m.
Entrada at Snow Canyon, St. George, Utah

BOARD MEMBERS PRESENT

Kay Blackwell, *President*, Piute County Commissioner
Jim Eardley, *Vice President*, Washington County Commissioner
Steve Wall, *Secretary-Treasurer*, Sevier County Clerk/Auditor
Craig Dearden, Weber County Commissioner
Jerry Hurst, Tooele County Commissioner
Karla Johnson, Kane County Clerk/Auditor
Bret Millburn, Davis County Commissioner
Cameron Noel, Beaver County Sheriff
Kent Sundberg, Utah County Deputy Attorney
Mike Wilkins, Uintah County Clerk/Auditor
Bruce Adams, San Juan County Commissioner
Brad Dee, Weber County Human Resources Director

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer
Mark Brady, UCIP Loss Control Manager
Greg Aiken, Zions Wealth Advisors
Scott Burnett, Zions Wealth Advisors

Call to Order

Kay Blackwell called this meeting, of the Utah Counties Indemnity Pool's Board of Trustees, to order at 7:00 p.m. on November 15, 2012, and welcomed those in attendance.

Review/Excuse Board Members Absent

All Board Members were present at this meeting.

Zions Wealth Advisors (ZWA) Quarterly Report

Scott Burnett reported on the economy and interest rates. Since consumers are waiting to see the effect of the Presidential election on the economy, major setbacks are being felt and the interest rate outlook is predicted to stay low through 2015. The focus has shifted to the fiscal cliff, when the terms of the Budget Control Act of 2011 are scheduled to go into effect. ZWA's prognosis is to stay at the short end of the curve, which has Federal control. The Feds would like to see a three-four percent rate of return. ZWA monitors the CEO Confidence Index that measures Chief Executive Officer's confidence in the economy. Right now, CEOs nationally do not have a high degree of confidence and are in a 'wait and see' mode. Corporate is sitting on a lot of cash waiting to see if Washington is going to solve the economic issues.

Greg Aiken provided the Board with an Earned Interest Comparison (see attachment number one) between funds invested by ZWA and funds invested by Public Treasurers Investment Fund (PTIF). Approximately \$13,500 additional interest was earned during the period of November 2011 through October 2012 on UCIP funds invested through ZWA. The Balance Sheet (see attachment number two) lists UCIP's marketable securities. On a short-term cycle, the Risk Summary (see attachment number three) illustrates the diversification and credit ratings of the securities.

UTAH COUNTIES INDEMNITY POOL

PO Box 95730, South Jordan, UT 84095-0730
Phone (801)565-8500 ☎ Fax (801)568-0495 ☎ ucip.utah.gov

Approve October 4, 2012 Meeting Minutes

The minutes, of the Board of Trustees meeting held October 4, 2012, were previously sent to the Board Members for review (see attachment number four). Steve Wall made a motion to approve the October 4, 2012 meeting minutes as written. Jim Eardley seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

Steve Wall reviewed the payments made, payments to be made and credit card transactions with the Board. Steve Wall made a motion to approve the payments made, payments to be made and credit card transactions (see attachment number five). Jim Eardley seconded the motion, which passed unanimously.

Review/Approve Third Quarter Financial Statements

The third quarter financial statements were previously sent to the Board members for review (see attachment number six). Sonya White reported that with the year 75% complete, revenues are at 76% of budget, underwriting expenses are at 83% of budget and administrative expenses are at 69% of budget. Although the Pool's year-to-date net income is negative \$280,500, net income increased \$187,500 from the prior quarter. UCIP has received the third quarter indications from County Reinsurance Limited (CRL) on UCIP's equity investment. UCIP's equity investment with CRL has increased approximately 32%, an increase of \$325,000. Jim Eardley made a motion to approve the Third Quarter Financial Statements as prepared and presented. Craig Dearden seconded the motion, which passed unanimously.

Review/Approve Tooele County Contribution Adjustment

Johnnie Miller explained that Tooele County has made significant budget cuts since they reported their estimated net operating expenditures to UCIP and recommended that their 2013 member contribution be adjusted. Jim Eardley made a motion to adjust Tooele County's 2013 contribution as recommended. Kent Sundberg seconded the motion, which passed unanimously.

Review/Approve Net Asset Management Policy

The framework for the Dividend Plan has been reviewed and discussed at previous Board meetings. The Net Asset Management Policy (see attachment number seven) was previously provided to the Board for review. Johnnie Miller explained that the purpose of the Net Asset Management Policy is to manage net asset levels to assure adequate assets to protect UCIP without holding excessive net assets. The Board may use the Claim Reserve Deterioration Fund, the Rate Stabilization Fund and the Dividend Plan to manage net assets. The Claim Reserve Deterioration Fund may be used to assure designated reserves are adequate to pay all claims assumed. The Rate Stabilization Fund may be utilized to designate surplus to cover temporary or unexpected expenses, particularly reinsurance expense, to avoid temporary rate fluctuation. The Dividend Plan should be used to return excess net assets to members in the manner described in the Dividend Policy. If net assets exceed 90% of annual revenue, the Board may issue dividends. If net assets exceed 100% of annual revenue, the Board should issue dividends. Dividends may be issued as Experience Dividends and/or Equity Dividends. One of the requirements for a member to receive an Experience Dividend is to comply with the Best Practice Program. Jim Eardley made a motion to approve the Net Asset Management Policy with the word 'shall' changed to 'should' under procedure of the Dividend Policy. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve Terms of UAC Relationship Proposal

Johnnie Miller reported that the Utah Association of Counties (UAC) Board of Directors met last night, November 14, and decided that UAC will not provide UCIP with exclusivity but will look further into the 'preferential treatment' that UCIP currently has with UAC.

Set Date and Time for Closed Meeting

Craig Dearden made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Mike Wilkins seconded the motion, which passed unanimously.

Action on Personnel Matters

Craig Dearden made a motion to strike agenda item: *Action on Personnel Matters*. Mike Wilkins seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Jerry Hurst made a motion to Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation on November 15, 2012 at 8:30 p.m. Mike Wilkins seconded the motion, which passed unanimously. Board Members present at the closed meeting were: Kay Blackwell, Jim Eardley, Steve Wall, Bruce Adams, Craig Dearden, Brad Dee, Jerry Hurst, Karla Johnson, Bret Millburn, Cameron Noel, Kent Sundberg and Mike Wilkins. Also present were: Johnnie Miller, Sonya White and Mark Brady.

The regular meeting resumed at 8:40 p.m. on November 15, 2012.

Action on Litigation Matters

Kent Sundberg made a motion to accept Peter Stirba's recommendation to proceed in the matter of DUC00003020061. Craig Dearden seconded the motion, which passed unanimously.

Kent Sundberg made a motion to approve that Jared Eldridge, Juab County Attorney, and Bill McGuire, Davis County Deputy Attorney, serve as members of the Litigation Management Committee. Brad Dee seconded the motion, which passed unanimously.

Nominating Committee Report

Jim Eardley reported that the UCIP Nominating Committee met today to review the nominations for available Trustee positions. The following officials will be placed on the ballot for membership vote at the December 6 Membership Meeting: Jerry Hurst and Alma Adams (Third Class Counties representative) and Bruce Adams and Camille Moore (At-Large representative).

Review Proposed Changes to the Bylaws Coverage Addendum

Johnnie Miller reported that changes to the Bylaws Coverage Addendum will include the deletion of the Land Use exclusion, statute updates for Uninsured/Underinsured Motorist and the sublimits will be changed back to show the total limit for all members. The draft will be ready for the Board to review/approve at the December 20 Board Meeting.

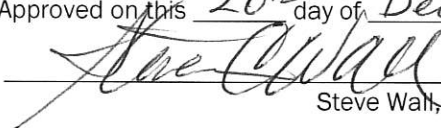
Chief Executive Officer's Report

Johnnie Miller reported that County Reinsurance is working diligently to provide UCIP with a quote for higher reinsurance limits. If the rate for \$5,000,000 is low enough, the Board may consider increasing the limit or leave as an option to each member.

Other Business

The Board received a copy of Gary Anderson's resignation from the Board (see attachment number eight). Cache County and Utah County did not rescind their request to terminate membership from the Pool. The Board discussed options for Counties to enter back into the Agreement if they recognize there is no better long-term management strategy than the Pool.

The next meeting of the Board of Trustees will be held Thursday, December 20, 2012, 12:30 p.m. at Scheels in Sandy Utah.

Approved on this 20th day of December 2012

Steve Wall, Secretary/Treasurer

ZIONS® Wealth Advisors

UCIP

Approximate Earned Interest Comparison

November 2011 - October 2012					
DATE	Utah PTIF ¹	Account #8913870	Ave. Funds Invested ³	Approx. Total Int. ⁴	Approx. Diff. Interest ⁵
11/30/11	0.66%	0.44%	\$1,598,862	\$581.99	-\$297.39
12/31/11	0.70%	1.13%	\$2,001,441	\$1,940.62	\$734.20
01/31/12	0.73%	1.84%	\$2,008,184	\$3,178.40	\$1,916.03
02/29/12	0.78%	1.63%	\$2,016,901	\$2,642.62	\$1,375.33
03/31/12	0.78%	1.55%	\$2,020,777	\$2,697.18	\$1,339.89
04/30/12	0.78%	1.55%	\$2,023,820	\$2,614.10	\$1,298.62
05/31/12	0.78%	1.49%	\$2,025,594	\$2,598.95	\$1,238.43
06/30/12	0.77%	1.86%	\$2,026,561	\$3,143.53	\$1,843.16
07/31/12	0.77%	1.49%	\$2,029,560	\$2,604.04	\$1,258.33
08/31/12	0.76%	1.50%	\$2,032,179	\$2,629.10	\$1,299.15
09/30/12	0.76%	1.25%	\$2,034,245	\$2,115.61	\$827.26
10/31/12	0.73%	1.13%	\$2,036,006	\$1,985.53	\$705.67
Totals				\$28,731.66	\$13,538.67

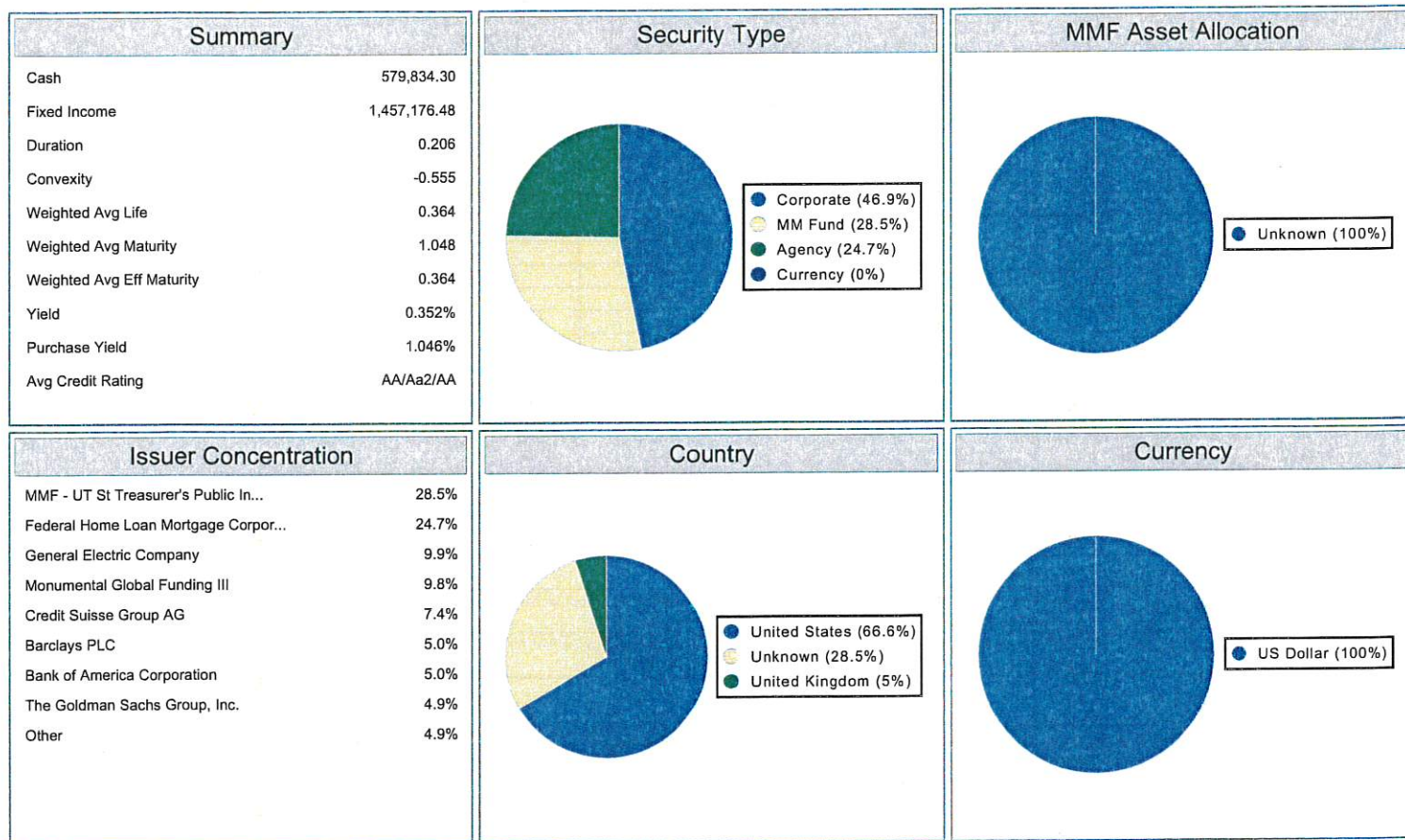
¹ Utah PTIF	Utah Public Treasurers Fund 360-day yield annualized and reported by the Utah State Treasurer; see http://www.treasurer.utah.gov/ptifrate.html
² Account #8913870	Zions Wealth Advisors 360-day yield net of fees, as reported on UCIP 3 monthly statements
³ Ave. Funds Invested	Average daily balance in the account for the month reported
⁴ Approx. Total Int.	Approximate total interest earned for the month reported. Cash flows are approximate and should not be used for tax or accounting purposes
⁵ Approx. Diff. Int.	Approximate differential in interest earned in the ZWA client account versus the PTIF for the month reported. Cash flows are approximate and should not be used for tax or accounting purposes

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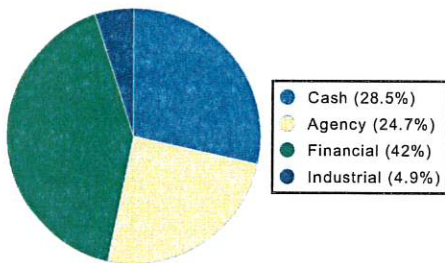
Please see accompanying page for additional disclosures

Risk Summary (ZWA-UCIP)
10/31/2012

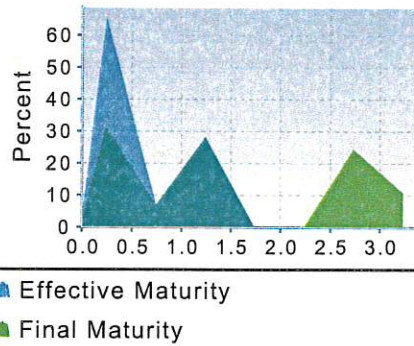
Dated: 11/9/2012



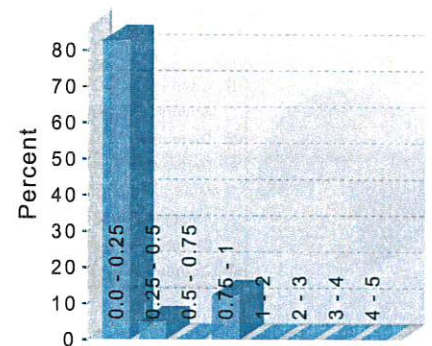
Market Sectors



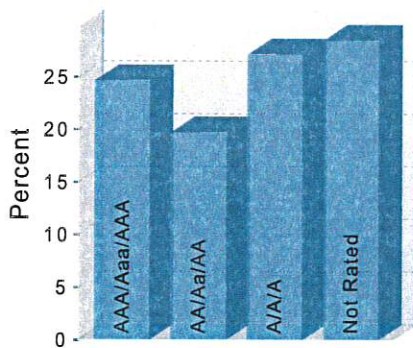
Time to Maturity (Years)



Duration



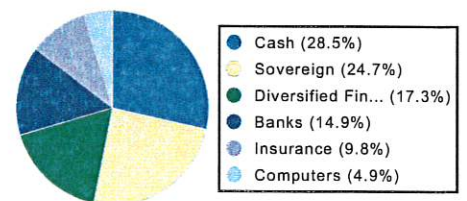
Credit Ratings



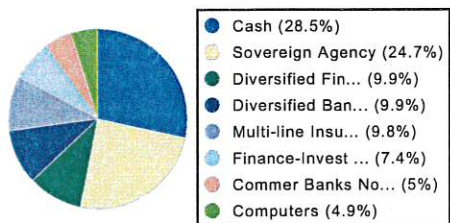
Credit Duration

	0.0 - 0.25	0.25 - 0.5	0.5 - 0.75	0.75 - 1	1 - 2	2 - 3	3 - 4	4 - 5
AAA	12.3	0.0	0.0	12.3	0.0	0.0	0.0	0.0
AA	19.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A	22.2	5.0	0.0	0.0	0.0	0.0	0.0	0.0
BBB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CCC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NA	28.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Industry Sectors



Industry Subsectors



Balance Sheet Classification (ZWA-UCIP)

Dated: 11/9/2012

10/31/2012

Cash Equivalent (3)													28.46%	579,834.30		
Cusip/ISIN	Description	Curr Face	Sector	Rating	Coupon	Maturity	Eff Maturity	Pur Yield	Yield	Orig Cost	Amort Cost	Unreal G/L	Price	Accr Int	Fair Value	Mkt Value
654080001	UT St Treasurer's Public Inv Pool A	579,834.30	Cash	NA/NA/NA	0.000	---	---	0.000	0.000	579,834.30	579,834.30	0.00	1.000	0.00	579,834.30	579,834.30
CCYUSD	US Dollar	-367.67	Cash	AAA/Aaa/AAA	0.000	---	---	0.000	0.000	-367.67	-367.67	0.00	1.000	0.00	-367.67	-367.67
CCYUSD	Net Receivables/Payables	367.67	Cash	AAA/Aaa/AAA	0.000	---	---	0.000	0.000	367.67	367.67	0.00	1.000	0.00	367.67	367.67
---	---	579,834.30	---	---	---	---	---	0.000	0.000	579,834.30	579,834.30	0.00	---	0.00	579,834.30	579,834.30

Marketable Securities (10)												71.54%		1,457,176.48		
Cusip/ISIN	Description	Curr Face	Sector	Rating	Coupon	Maturity	Eff Maturity	Pur Yield	Yield	Orig Cost	Amort Cost	Unreal G/L	Price	Accr Int	Fair Value	Mkt Value
06051GEF2	BANK OF AMERICA CORP	100,000.00	Financial	A-/Baa2/A	1.733	01/30/2014	01/30/2014	1.066	1.047	100,925.00	100,857.18	25.03	100.882	9.63	100,882.21	100,891.84
06738FGP0	BARCLAYS BANK PLC	100,000.00	Financial	A-/A2/A	2.500	01/23/2013	01/23/2013	1.074	0.491	100,729.00	100,320.02	136.40	100.456	680.56	100,456.42	101,136.97
225434AP4	CREDIT SUISSE USA INC	150,000.00	Financial	A+/A1/A	0.593	04/12/2013	04/12/2013	1.944	0.322	147,364.50	149,106.80	1,078.98	100.124	49.40	150,185.78	150,235.17
3134G26G2	FREDDIE MAC	250,000.00	Agency	AA+/Aaa/AAA	1.000	08/28/2015	11/28/2012	1.004	0.114	249,962.50	249,971.70	194.40	100.066	1,062.50	250,166.10	251,228.60
3134G3AZ3	FREDDIE MAC	100,000.00	Agency	AA+/Aaa/AAA	1.000	06/12/2015	12/12/2012	1.000	0.301	100,000.00	100,000.00	79.48	100.079	386.11	100,079.48	100,465.59
3134G3FR6	FREDDIE MAC	150,000.00	Agency	AA+/Aaa/AAA	1.050	12/28/2015	12/28/2012	1.050	0.150	150,000.00	150,000.00	213.48	100.142	538.13	150,213.48	150,751.61
36962G4W1	GENERAL ELEC CAP CORP	200,000.00	Financial	AA-/A1/NR	1.201	01/07/2014	01/07/2014	1.623	0.555	198,410.00	199,056.48	2,512.04	100.784	153.49	201,568.53	201,722.02
38143USB8	GOLDMAN SACHS GROUP INC	100,000.00	Financial	A-/A3/A	1.439	02/07/2014	02/07/2014	2.565	1.161	97,842.00	98,629.42	1,749.25	100.379	343.84	100,378.67	100,722.52
428236BG7	HEWLETT-PACKARD CO	100,000.00	Industrial	BBB-/A3/A-	0.711	05/24/2013	05/24/2013	1.381	0.887	99,042.83	99,628.07	275.80	99.904	136.23	99,903.87	100,040.10
61532XAD8	MONUMENTAL GLOBAL FUNDING	200,000.00	Financial	AA-/A1/AA-	0.485	01/25/2013	01/25/2013	1.931	0.575	196,870.00	199,339.83	623.37	99.982	18.87	199,963.20	199,982.07
—	—	1,450,000.00	—	—	—	—	—	1.461	0.493	1,441,145.83	1,446,909.50	6,888.24	—	3,378.75	1,453,797.73	1,457,176.48

Summary										2,037,010.78	
Total Orig Face / Shares	Total Curr Face / Shares	Yield	Purchase Yield	Total Orig Cost	Total Book Value	Total Amort Cost	Total Unreal G/L	Total Accr Int	Total Fair Value	Total Mkt Value	
2,029,834.30	2,029,834.30	0.35	1.05	2,020,980.13	2,030,122.55	2,026,743.80	6,888.24	3,378.75	2,033,632.03	2,037,010.78	

ZIONS® WEALTH ADVISORS

Market & Economic Commentary

Heard Off The Street: The Real Roots of the Financial Crisis November 5, 2012

The Investment Strategy Group of Contango Capital Advisors provides regular updates on economic and financial conditions and trends. This time around we look at how the financial crisis evolved – and why it is taking so long for the global economy to work through it.

The financial crisis devastated much of the world economy and prompted a wave of "corrective actions" in the form of regulations, lawsuits, prosecutions and public shaming. In today's press, for example, we read that the federal government has begun prosecuting thousands of mortgage fraudsters in Las Vegas. Yet many complain that the Feds are focusing on the "little crooks" and not the master mobsters on Wall Street.

It is true that there was a lot of fraud. And that there was greed to the point of gluttony among our financiers. And that too many people borrowed too much. And that banks didn't do a very good job of managing credit risk. And that a system of "paper money" allows for rapid credit expansion beyond all reasonable levels. But has it ever been otherwise? Fraud and bad credit judgment antedate the founding of our republic. None of these things can explain the magnitude and duration of the financial crisis, so actions aimed at them will not make the system safer or ward off a recurrence. Finally, if you think paper money is the culprit, look at the volatility of the US economy in the 19th century under the gold standard.

Rise of the Shadow

Essentially, the crisis was enabled by our failure to understand two major changes in the global financial system over the last 25 years (and by "our" we mean both the regulators and we, the investors and owners of the financial system). First, and primarily in the US, we built up a non-bank or "shadow" financial system of securitization and repo-financed lending that, by 2007, was extending more credit than the conventional banking system. This shadow financial system made a number of dodgy loans against leveraged structures and, when confidence in the underlying assets started to fall, there was the shadow equivalent of "a run on the bank." This then infected the conventional banking system and resulted in a dramatic reduction of the availability of credit, which forced the economy into a deep and prolonged recession.

Second, the size of the shadow system was "too large" as, indeed, was the size of the conventional system, because things had been too good for too long and investors had begun to believe that global risk had been tamed. Hence, when things collapsed there was a lot to fall down.

A Run on the Non-Banks

All banking systems depend on the illusion of liquidity. You make a deposit in your bank and the bank lends your money to some business, let's say, that uses it to fund inventory or investment. If you show up

and want your money back from the bank, it can't get it back from the borrower. Banks keep some liquidity on hand because, generally, most of the deposits get left in the bank. If all the depositors lose faith in the bank and want their money back at once, the bank will fail even if all its loans are "good." This is a bank run. The Federal Reserve system was set up to prevent bank runs by accepting the loans as "collateral" against which the Fed would provide cash. Because people believe this, they don't line up at the bank asking for their money back.

But of course, the credit system rapidly outgrew the formal banking system. Securitizing credit card receivables or auto loans or mortgages bypasses the banks and thus bypasses the Federal Reserve. The "depositors" are the investors who buy bonds or leveraged products made up of slices of these credits. Many of the credits were repackaged into structures against which more money was borrowed. When faith in some of the credits was lost, investors sold. This created margin calls against these packages, resulting in the packagers' efforts to sell those structured products. Those efforts, of course, drove prices down and created more margin calls and so on. No Federal Reserve was there to note that the underlying assets (say credit card receivables) were really okay and could be backed by cash. So the structure came tumbling down.

Infectious Declines

This then infected the conventional banking system in three ways. First, the biggest banks, like Citi, were the providers of leverage to many of the structures and started to take major losses as asset values fell. They were also the sponsors of "off-balance sheet" structures themselves and so lost money as principals. Second, they had normal loans within the conventional banking system collateralized by normal assets (for example, "good" mortgages rather than sub-prime). But investors getting margin calls couldn't sell their "bad" assets to meet them and were forced to sell their "good" assets to get cash. That drove down the value of the "good" assets so that collateral values collapsed within the conventional banking system as well. Third, as the banks and the non-banks contracted their supply of credit in response to their capital losses from the shadow credit system, the economy went into recession. This caused old-fashioned credit losses that further damaged the capital of the conventional banks.

A Really Big Run

Okay, but how did it get so really big? Because things had been relatively stable for such a long time! You may have forgotten how recently Alan Greenspan was lauded for being the greatest central banker of all time for engineering the "great moderation" – the reduction of economic cyclicity to the lowest observed level for a century. House prices always went up, leverage was a good idea because it safely enhanced returns, credit rating agencies were never wrong – many people believed all these things because, for quite a while, nothing had gone drastically wrong.

We wrote last week about the hog cycle – which illustrates the tendency of producers of all sorts of stuff to extrapolate the recent past into the indefinite future. Well, fellow investors, it's not just the pig farmers and the iron ore miners who do this. And the longer a credit boom goes on, the bigger are the vested interests opposed to stopping it. That is where the greed comes in – not as the cause of the event but as the catalyst for keeping it going as long as possible.

What Should They Do?

Two solutions have been proposed: to segregate the conventional banking system from "contagion" and/or to provide a liquidity backstop for the shadow system equivalent to what the Fed provides for the conventional system.

The first solution is the so-called "narrow banking" option. The Fed would stand behind only banks that accepted deposits and used them to buy "really safe" assets. These might include Treasury securities, or mortgages with loan-to-value ratios below some predetermined level, or short-duration loans to only investment-grade companies. These banks could not have off-balance-sheet vehicles or trade derivatives or lend to highly leveraged structures so that they would be pretty safe from contagion effects from the now-unregulated system.

The second requires that the Fed/SEC/OCC in some way regulate the shadow system's risk taking and stand behind it by specifying the kinds of assets that they would accept as collateral to provide cash and so prevent a run.

Neither seems to us to be particularly likely to be successful. A narrow banking system would surely work on its own terms. But as most credit would be created outside it, that dominant credit system would be as volatile as we have seen already. Good for the FDIC's funds but bad for the economy at large.

The other solution – regulating and protecting everything – seems extremely hard to implement. Most of the structures that collapsed were offshore. There is no notion of having one unified financial regulator for the world financial system. Financial transactions are globally mobile and money is fungible. Risk would migrate to and multiply in the least regulated locations and companies and investors from all over the world would do business there. Trying to prevent any international movement of funds is ridiculous in modern times and in a globalized economy.

What Should You Do?

It should be clear that law and regulation won't take away systemic financial risk, though they will mitigate it for a time, at least until memories fade. We are back to our constant theme: Don't believe in money for nothing, be cautious and be active in managing your risks. No one else will do it for you.

The opinions expressed above are solely those of Contango Capital Advisors and do not necessarily reflect the views of Zions Bancorporation, its affiliates or its management.

IMPORTANT NOTE: Wealth management services are offered through Contango Capital Advisors, Inc. (Contango), which operates as Zions Wealth Advisors in Utah and Idaho. Contango is a registered investment adviser and a nonbank affiliate of Zions Bank and a nonbank subsidiary of Zions Bancorporation. Representatives of Zions Wealth Advisors are employed by Zions Bank and are shared employees of Contango Capital Advisors, and Western National Trust Company (a subsidiary of Zions Bank and an affiliate of Contango). Some are also registered representatives of Zions Direct, which is a member of FINRA/SIPC and a nonbank subsidiary of Zions Bank, which is a member of FINRA/SIPC and a nonbank subsidiary of Zions Bank. Some are also registered representatives of Zions Direct, which is a member of FINRA/SIPC and a nonbank subsidiary of Zions Bank. Investment products and services are not insured by the FDIC or any federal or state governmental agency, are not deposits or other obligations of, or guaranteed by, Zions Bank, Zions Bancorporation or its affiliates, and may be subject to investment risks, including the possible loss of principal value or amount invested. CCA1112-0205R

Utah Counties Indemnity Pool

Payments

October 5, 2012 - November 15, 2012

Type	Date	Num	Name	Memo	Amount
ML Expense					
Liability Check	10/12/2012		QuickBooks Payroll Service	Created by Payroll Service on 10/11/2012	-13,247.07
Liability Check	10/30/2012		QuickBooks Payroll Service	Created by Payroll Service on 10/24/2012	-13,369.10
Liability Check	11/14/2012		QuickBooks Payroll Service	Created by Payroll Service on 11/08/2012	-13,247.11
Liability Check	10/12/2012	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270268675287909	-3,991.80
Liability Check	10/25/2012	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270269911084189	-4,038.99
Liability Check	10/29/2012	ONLINE	Utah State Tax Commission	Confirmation Number: 1-563-106-304	-1,680.37
Liability Check	10/29/2012	ONLINE	Utah Retirement Systems	Confirmation Number: 102928475901	-7,397.64
Liability Check	10/29/2012	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,025.76
Liability Check	11/9/2012	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270271414260092	-3,991.74
Check	10/25/2012	VISA	Wells Fargo	Account Number: 4856 2002 0207 3691	-725.46
Check	10/25/2012	VISA	Wells Fargo	Account Number: 4856 2002 0207 3675	-617.50
Check	10/25/2012	VISA	Wells Fargo	Account Number: 4856 2002 0207 3683	-225.00
Check	10/5/2012	6511	Gary Anderson	VOID: Per Diem AGRIP Newport Beach CA	0.00
Check	10/5/2012	6512	Kay Blackwell	Expense Reimbursement	-383.90
Check	10/5/2012	6513	Jim Eardley	VOID: Expense Reimbursement	0.00
Check	10/5/2012	6514	Craig Dearden	Mileage Reimbursement	-333.00
Check	10/5/2012	6515	Karla Johnson	Mileage Reimbursement	-88.80
Check	10/5/2012	6516	Jerry Hurst	Mileage Reimbursement	-266.40
Check	10/5/2012	6517	Bret Millburn	Mileage Reimbursement	-298.59
Check	10/5/2012	6518	Cameron Noel	Per Diem AGRIP Newport Beach CA	-284.00
Check	10/5/2012	6519	Kent Sundberg	Expense Reimbursement	-973.70
Check	10/5/2012	6520	Steven Wall	Per Diem AGRIP Newport Beach CA	-284.00
Check	10/5/2012	6521	Mike Wilkins	Per Diem AGRIP Newport Beach CA	-355.00
Check	10/5/2012	6522	Opticare of Utah	Invoice Number: 27290	-59.35
Liability Check	10/5/2012	6523	Sonya J. White	Expense Reimbursement	-699.31
Check	10/5/2012	6524	AGRIP	VOID: Invoice Number: 12G-03314	0.00
Bill Pmt -Check	10/5/2012	6525	Arthur J. Gallagher & Co.	Invoice Number: 2290214	-3,517.45
Bill Pmt -Check	10/5/2012	6526	Best Western Town & Country	Invoice Number: 593	-870.00
Bill Pmt -Check	10/5/2012	6527	Festival Hall	RMC Facility Rental	-858.75
Bill Pmt -Check	10/5/2012	6528	Garden House of Cedar City	Invoice Number: 5526	-2,581.75
Bill Pmt -Check	10/5/2012	6529	Marriot Newport Beach Hotel	VOID: AGRIP Governance Conference	0.00
Bill Pmt -Check	10/5/2012	6530	Office Depot	Invoice Number: 625998191001	0.00
Check	10/8/2012	6531	Johnnie R. Miller	Expense Reimbursement	-51.90
Bill Pmt -Check	10/8/2012	6532	AGRIP	VOID: Invoice Number: 12G-03314	-657.01
Bill Pmt -Check	10/8/2012	6533	Marriot Newport Beach Hotel	VOID: AGRIP Governance Conference	0.00
Check	10/8/2012	6534	Jim Eardley	Mileage Reimbursement	0.00
Bill Pmt -Check	10/11/2012	6535	AGRIP	Invoice Number: 12G-03314	-55.50
Bill Pmt -Check	10/11/2012	6536	Marriot Newport Beach Hotel	AGRIP Governance Conference	-4,395.00
Check	10/26/2012	6537	Kay Blackwell	Expense Reimbursement	-5,623.92
Check	10/26/2012	6538	Tooele County	Speaker Reimbursement	-308.25
Check	10/26/2012	6539	Korby M. Siggard	Mileage Reimbursement	-456.16
Bill Pmt -Check	10/26/2012	6540	Arthur J. Gallagher & Co.	Invoice Number: 4733997	-286.71
Bill Pmt -Check	10/26/2012	6541	Paetec	Invoice Number: 301635	-2,750.00
Bill Pmt -Check	10/26/2012	6542	Pitney Bowes Global Financial Servic...	VOID: Invoice Number: 1528795-OT12	-697.08
Bill Pmt -Check	10/26/2012	6543	Pitney Bowes Global Financial Servic...	VOID: Invoice Number: 1528795-OT12	0.00
Check	10/31/2012	6544	Mike Wilkins	Expense Reimbursement	-199.00
Liability Check	10/31/2012	6545	Public Employees Health Program	Policy Number 1076 (October)	-588.27
Check	10/31/2012	6546	PEHP-LTD	Coverage Period: OCTOBER 2012	-827.42
					-213.74

Utah Counties Indemnity Pool Payments October 5, 2012 - November 15, 2012

Type	Date	Num	Name	Memo	Amount
Check	10/31/2012	6547	Cameron Noel	Expense Reimbursement	-647.10
Bill Pmt -Check	10/31/2012	6548	Premiere Global Services	Invoice Number: 12447533	-85.21
Check	10/31/2012	6549	Sonya J. White	Expense Reimbursement	-158.17
Check	10/31/2012	6550	Steven Wall	Expense Reimbursement	-295.82
Bill Pmt -Check	11/1/2012	6551	Western AgCredit	Invoice Number: 11-2012	-11,111.00
Liability Check	11/9/2012	6552	Opticare of Utah	Invoice Number: 29312	-59.35
Check	11/9/2012	6553	Tim Apgood	Overpayment of TULIP Event - Seminar	-332.60
Bill Pmt -Check	11/9/2012	6554	McDonald Fielding PLLC	Invoice Number: 20216	-264.00
Bill Pmt -Check	11/9/2012	6555	Revco Leasing Company, LLC	Invoice Number: 310516	-815.89
Bill Pmt -Check	11/9/2012	6556	Society of CIC	Alliance Member: 1039119	-90.00
Total ML Expense					-107,380.64
TOTAL					-107,380.64



Utah Counties Indemnity Pool

FINANCIAL STATEMENTS

Quarter Ending September 30, 2012

Utah Counties Indemnity Pool

Third Quarter 2012 Financial Statements

To the Board of Trustees:

I have compiled the accompanying, in-house prepared, unaudited account balances arising from cash transactions and from accrual transaction of the Utah Counties Indemnity Pool as of 9/30/2012 and accompanying notes to basic financial statements.

Sonya White

Chief Financial Officer

801-307-2113

sonya@ucip.utah.gov

Reviewed this ____ day of _____, 2012

By: _____

Utah Counties Indemnity Pool
Statement of Net Assets
As of September 30, 2012

	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2011</u>
ASSETS			
Current Assets			
Total Checking/Savings	\$ 10,670,906	\$ 8,262,264	\$ 11,381,098
Accounts Receivable	16,196	1,513,378	-
Excess Recoverable	151,300	151,300	145,492
Prepaid Expenses	<u>663,694</u>	<u>234,770</u>	<u>553,384</u>
Total Current Assets	11,502,097	10,161,712	12,079,974
Investments	2,672,171	2,878,545	587,267
Property and Equipment	46,314	89,848	93,123
Other Assets			
Land Held for Investment	526,778	494,446	494,446
Security Deposits	<u>11,336</u>	<u>11,336</u>	<u>11,336</u>
Total Assets	<u>\$ 14,758,695</u>	<u>\$ 13,635,887</u>	<u>\$ 13,266,146</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Reserves for Losses and Loss Adjustment Expenses	\$ 7,686,014	\$ 6,658,344	\$ 7,189,475
Accounts Payable	-	6,942	-
Accrued Expenses	49,868	39,691	35,439
Contributions Paid in Advance	<u>1,570,313</u>	<u>1,197,891</u>	<u>1,486,684</u>
Total Current Liabilities	9,306,195	7,902,868	8,711,598
Net Assets			
Invested in Capital Assets	89,848	89,848	600,897
Unrestricted	<u>5,362,653</u>	<u>5,643,171</u>	<u>3,953,651</u>
Total Net Assets	5,452,501	5,733,019	4,554,548
Total Liabilities and Net Assets	<u>\$ 14,758,695</u>	<u>\$ 13,635,887</u>	<u>\$ 13,266,146</u>

Accrual Basis

Utah Counties Indemnity Pool

Statements of Revenues, Expenses and Changes in Net Assets

As of September 30, 2012

	<u>Jan - Sep 12</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Operating Income				
Contributions	\$4,710,939	\$6,281,252	-\$1,570,313	75%
Investment Income	93,376	65,000	28,376	144%
Other Income	18,617	9,500	9,117	196%
Total Operating Income	4,822,932	6,355,752	-1,532,820	76%
Underwriting Expense				
Losses and Loss Adjustment Expenses	3,119,608	3,590,000	-470,392	87%
Reinsurance Coverage	1,180,580	1,600,000	-419,420	74%
Total Underwriting Expense	4,300,188	5,190,000	-889,812	83%
Administration Expenses				
Board of Trustees	19,208	45,000	-25,792	43%
Depreciation	11,575	20,000	-8,425	58%
Loss Control	38,042	50,000	-11,958	76%
Marketing	14,292	16,000	-1,708	89%
Office Operations	136,055	210,000	-73,945	65%
Professional Services	142,301	74,752	67,549	190%
Staff	447,207	750,000	-302,793	60%
Total Administration Expenses	808,681	1,165,752	-357,071	69%
Total Operating Expenses	5,108,869	6,355,752		
Net Operating Income	(285,937)			
Other Income				
Unrealized Gain on Marketable Securities	5,419	-	5,419	100%
Total Other Income	5,419	-	5,419	100%
Net Decrease	(280,518)			
Net Assets Available at Beginning of Year	5,733,019			
Net Assets Available at End of Quarter	<u>\$ 5,452,501</u>			

Utah Counties Indemnity Pool

Statement of Cash Flows

As of September 30, 2012

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities		
Contributions Collected	6,580,543	6,405,689
Other Fees Collected	18,617	23,319
Reinsurance Paid	(1,609,504)	(1,392,980)
Losses and Loss Expenses Paid	(2,091,938)	(3,036,969)
Administrative Expenses Paid	(793,871)	(1,014,996)
Net Cash from Operating Activities	<u>2,103,846</u>	<u>984,063</u>
Cash Flows from Investing Activities		
Purchases/Sales of Investments	206,374	(1,863,104)
Investment Income	98,795	68,913
Net Cash from Investing Activities	<u>305,169</u>	<u>(1,794,191)</u>
Cash Flows from Capital and Financing Activities		
Purchases of Capital Assets	(564)	(3,942)
Proceeds from Sales of Capital Assets	191	-
Net Cash from Capital and Financing Activities	<u>(373)</u>	<u>(3,942)</u>
Net Increase/Decrease in Cash and Cash Equivalents	<u>2,408,642</u>	<u>(814,070)</u>
Cash and Cash Equivalents at Beginning of Year	<u>8,262,264</u>	<u>9,076,334</u>
Cash and Cash Equivalents at End of Quarter	<u><u>10,670,906</u></u>	<u><u>8,262,264</u></u>
Reconciliation of Change in Net Assets to Net Cash Flows From Activities		
Change in Net Assets	(280,518)	988,092
Adjustments to Reconcile Change in Net Assets to Net Cash Flows		
Depreciation	11,575	20,545
Interest Received on Investments	(98,795)	(68,913)
Decrease in Equity Zions	5,419	644
Increase in Equity in CRL	-	(428,178)
Unrealized Gain on Investments	(5,419)	(644)
Loss on Disposal of Equipment	-	-
Changes in Assets and Liabilities		
Accounts Receivable	1,497,182	4,253
Prepaid Expenses	(428,924)	(15,138)
Reinsurance Recoverable	-	(5,808)
Reserves for Loss and Loss Adjustment Expenses	1,027,670	21,943
Accounts Payable	(6,942)	(21,070)
Accrued Expenses	10,177	9,474
Premiums Paid in Advance	372,422	478,863
Total Adjustments	<u>2,384,364</u>	<u>(4,029)</u>
Net Cash Flows from (used by) Operating Activities	<u><u>2,103,846</u></u>	<u><u>984,063</u></u>

Utah Counties Indemnity Pool

NOTES to the FINANCIAL STATEMENTS

September 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Utah Counties Indemnity Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. In January 2012, the Pool was renamed the Utah Counties Indemnity Pool. The Pool is a non-profit Interlocal entity formed under Section 11-13-101 et. seq. *Utah Code Annotated, 1953* as amended, operated as a joint liability reserve fund under Section 63G-7-703 and 801 for counties who enter into the Interlocal agreement that creates UCIP. The Pool is referred to as a "public agency insurance mutual" under the insurance statutes of the State of Utah, Section 31A-1-103(7). All of the Pool's business activities are conducted in the State of Utah.

Accounting Principles

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The Pool adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB Statement 34), GASB Statement No. 37, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Disclosures*, in fiscal year 2002, effective January 1, 2001. Effective January 1, 2004, the Pool adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. With the implementation of these statements, the Pool has prepared required supplementary information titled 'Management's Discussion and Analysis' which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net assets as invested in capital assets and unrestricted, has prepared the statements of cash flows on the direct method, and provided additional schedules to better communicate the financial status of the governmental entity.

The accounting policies of the Pool conform to accounting principles generally accepted in the United States of America in all material respects. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Fund and Other Governmental Entities That Use Proprietary Fund Accounting*, the Pool has opted to apply all pronouncements issued by the Financial Accounting Standards Board ("FASB") after November 1989, unless the FASB pronouncements conflict with or contradict GASB pronouncements. The following is a summary of the more significant of such policies.

Basis of Accounting

The Pool reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. The estimates which are particularly susceptible to change are related to the actuarial valuation of the claims incurred but not reported and loss reserves. Actual results could differ from those estimates.

Income Taxes

The Pool is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as compensated absences payable.

Contributions

Contributions are collected annually on January 1.

Contributions Paid in Advance

Contributions paid by members prior to January 1 of the next calendar year are considered to be deferred until January 1 and are reported as liabilities in the statement of net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Pool considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. Therefore, the investments in the Utah Public Treasurers' Fund and cash on deposit are considered to be cash equivalents.

Investments

Investments are comprised of various U.S. Government securities, certificates of deposit and investments in County Reinsurance Limited (CRL).

Investments in U.S. Government securities as of September 30, 2012 consist of held-to-maturity securities. Held-to-maturity securities are reported at cost, adjusted for amortization of premiums and accretion of discounts that are recognized in interest income using the effective interest method over the period to maturity.

The investments in CRL are valued using the equity method of accounting. Under the equity method, the Pool recognizes its proportionate share of the net earnings or losses of CRL which represents its share of the undistributed earnings or losses of CRL.

Land Held for Investment

The Pool purchased land in October of 2007 with the intent of building office space to house Pool employees and conduct board meetings and training. The Board has determined to hold the land as an investment for future sale.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$500. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from three to five years. Depreciation expense for the current year, as of the quarter ending September 30, 2012, amounted to **\$11,575**.

Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are reviewed quarterly and any adjustments are reflected in the period determined.

Subsequent Events

Management of the Pool has evaluated subsequent events through September 30, 2012. It was recognized that an error was made in the December 31, 2011 Actuarial Report in the calculation of general liability excess losses. An excess auto liability claim was inadvertently included in the general liability large loss listing. This caused approximately \$194,000 of an increase to the January 1 through December 31, 2008 period in the interim reserve review as of the quarter ending March 31, 2012.

2. **CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Listed below is a summary of the cash and investment portfolios as of September 30, 2012. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Pool are considered to have been made in accordance with these governing statutes including the Utah Money Management Act.

Cash and Cash Equivalents

Cash and cash equivalents of the Pool are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is **\$96,521** as of September 30, 2012. The corresponding bank balance of the deposits was **\$61,954** as of September 30, 2012. All of the Pool's cash on deposit bank accounts are non-interest-bearing. The FDIC has no limits on non-interest-bearing accounts in financial institutions insured by the FDIC for the period of January 1, 2012 to December 31, 2012.

The Public Treasurers' Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund, but the PTIF is subject to oversight by the Utah Money Management Council and all investments in PTIF are considered to be in compliance with the Utah Money Management Act. The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years. The maximum final maturity of any security invested in by the PTIF is limited to five years. The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on any entity's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Zions Wealth Advisors DBA Contango Capital Advisors is a Certified Investment Advisory Firm subject to oversight by the Utah Money Management Council and all investments with Zions Wealth Advisors are considered to be in compliance with the Utah Money Management Act. The maximum final maturity of any security invested in by Zions Wealth Advisors is limited to three years. Zions Wealth Advisors Investments are not insured or otherwise guaranteed.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of September 30, 2012, all of the Pool's bank balances were fully insured by the FDIC.

As of September 30, 2012, the Pool's cash and cash equivalents and investments included the following:

Cash on Deposit	\$ 96,521
Public Treasurers' Investment Fund	10,196,915
Zions Wealth Advisors	377,470
Total Cash and Cash Equivalents	10,670,906
Investments - U.S. Government Securities	1,656,730
Equity Investment in County Reinsurance Limited	1,015,441
Land Held for Sale	526,778
Total Investments	3,198,948
Total Cash and Cash Equivalents and Investments	\$ 13,869,855

Investments

The Pool records its investments in U.S. Government Securities at market value. The Pool records investments with County Reinsurance Limited (CRL) using the equity method of accounting. Investments in CRL are confirmed annually. All other investments are through the PTIF. The differences between book value and fair value, as of September 30, 2012, are as follows:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Statement Value</u>
Equity	\$ 1,015,441	\$ -	\$ -	\$ 1,015,441	\$ 1,015,441
Land	526,778	-	-	526,778	526,778
Securities	1,759,615	5,419	(108,304)	1,656,730	1,656,730
Total Investments	\$ 3,301,834	\$ 5,419	\$ (108,304)	\$ 3,198,948	\$ 3,198,948

Interest Rate Risk

The Pool currently utilizes the Public Treasurer's Investment Fund (PTIF) and Zions Wealth Advisors, both regulated by the Utah Money Management Council, to manage interest rate risk.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Pool's policy for limiting the credit risk of investments is to comply with the Money Management Act.

Investments are categorized into these three categories of credit risk:

- Category 1 - Insured or registered, or securities held by the Pool or its agent in the Pool's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Pool's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, not in the Pool's name.

Investments in U.S. government securities in the amount of **\$1,656,730** are considered to be Category 3 securities. PTIF investments, equity investments in CRL and land held for sale in the total amount of **\$11,739,133** are uncategorized investments.

3. INVESTMENT INCOME

Investment income is comprised of the following as of September 30, 2012:

Interest:

Bonds	\$ 24,772
Equity	-
Cash	68,604
Total Interest Income	\$ 93,376

Cash Received:

Bonds	\$ 24,380
Cash	68,604
Total Cash Received	\$ 92,984

Noncash Adjustments:

Equity	\$ -
Change in Accrued Interest	392
Amortization	
Total Noncash Adjustments	\$ 392

Total Investment Income	\$ 93,376
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4. INTEREST RATES

The interest rate for assets held with the Utah Public Treasurers' Investment Fund was **.7784%** as of September 30, 2012.

5. CAPITAL ASSETS

The capital assets and related accumulated depreciation of the Pool are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Depreciated:				
Office Furniture and Equipment	167,190	-	-	167,191
Total Capital Assets Depreciated	<u>167,190</u>	<u>-</u>	<u>-</u>	<u>167,191</u>
Less Accumulated Depreciation:				
Office Furniture and Equipment	(117,010)	(3,866)	-	(120,876)
Total Accumulated Depreciation	<u>(117,010)</u>	<u>(3,866)</u>	<u>-</u>	<u>(120,876)</u>
Total Capital Assets	<u>\$ 50,180</u>	<u>\$ (3,866)</u>	<u>\$ -</u>	<u>\$ 46,315</u>

6. CONTINGENCIES

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.

7. REINSURANCE

Effective 2003, the Pool has purchased only specific excess coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention.

Estimated claims loss liabilities of the Pool are stated net of estimated losses applicable to reinsurance coverage ceded to other insurance companies of **\$1,326,063** as of September 30, 2012. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

Reinsurance Recoverables on Aggregate Losses

The Pool has reinsurance recoverables on aggregate policies (1992-2002) in the amount of **\$151,300** from its reinsurers for accrued losses as of September 30, 2012

Unsecured Reinsurance Recoverables

There are no letters of credit, trust agreements or funds withheld on reinsurance recoverables. The amount of **\$1,699,345** exceeds 3% of the Pool's surplus and is considered unsecured recoverables on known claims.

Reinsurance Recoverable in Dispute

As of September 30, 2012, the Pool does not have any disputed balances or uncollectible funds.

8. RETIREMENT PLANS

Cost-Sharing Defined Benefits Pension Plan:

Plan Description. The Pool contributes to the Local Governmental Noncontributory Retirement System (Noncontributory System), which is a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustment, and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the State and School Contributory Retirement System and State and School Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy. The Pool is required to contribute 16.04% (including 1.5% to a 401(k) salary deferral program) of covered salary to the Noncontributory System. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board. The Pool's contribution to the Noncontributory System for the quarter ended September 30, 2012 was **\$46,284**. The contributions were equal to the required contributions for each year. The Pool has no further liability once contributions are made.

Defined Contribution Pension Plans:

The Pool contributes an amount equal to the amount contributed by the employee into a 401(k) plan (administered by the Utah State Retirement Systems) and/or a 457 plan (administered by Nationwide Retirement Solutions), not to exceed 5% of the employee's eligible payroll. The total retirement expense for the Pool for the quarter ended September 30, 2012 was **\$8,662**.

9. UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events, as of September 30, 2012, has increased by approximately **\$1,027,670** as a result of re-estimation of unpaid losses and loss adjustment expenses. This change is the result of ongoing analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims.

The unpaid claims, losses and loss adjustment expenses of the Pool are as follows:

	<u>2012</u>	<u>2011</u>
Beginning Balance	6,658,344	6,636,401
Incurred Loss:		
Current Year	2,707,500	3,129,335
Prior Year	(1,817,865)	(303,019)
Change in Total Incurred	889,635	2,826,316
Paid:		
Current Year	565,765	994,943
Prior Year	(703,800)	1,809,430
Total Paid	(138,035)	2,804,373
Balance at September 30	<u>7,686,014</u>	<u>6,658,344</u>

10. OPERATING LEASE COMMITMENT

On September 4, 2008, the Pool entered into a seven year commitment to lease office space. The lease commenced in February 2009 at which time the Pool occupied the premises. The Pool paid **\$99,676** in rent as of September 30, 2012.

Future minimum rental commitments for the building operating lease are as follows:

2012	132,696
2013	136,674
2014	140,680
2015	144,866
Thereafter	<u>24,262</u>
Total minumim lease payments	<u>\$ 579,178</u>



NET ASSET MANAGEMENT POLICY

PURPOSE

Manage Net Asset levels to assure adequate assets to protect UCIP without holding excessive Net Assets.

GOAL

Manage Net Asset levels between 90% and 100% of annual revenue. Net Assets should be controlled within a minimum of 50% and a maximum of 120% of annual revenue.

PROCEDURE

The Board may use the Claim Reserve Deterioration Fund, the Rate Stabilization Fund, and the Dividend Plan to manage Net Assets.

The **Claim Reserve Deterioration Fund** may be used to assure designated reserves are adequate to pay all claims assumed. This fund will be shown separately on the financial statements from the claim reserves, and will show the difference, if any, between the “expected” loss reserves identified by the actuary and the amount of reserves the Board approves to dedicate. The “expected” level provides a 60% confidence level that the reserves are adequate to pay all claims assumed. The Board should consider approving reserves in the 80% to 90% confidence level when pool performance allows.

The **Rate Stabilization Fund** may be utilized to designate surplus to cover temporary or unexpected expenses, particularly reinsurance expense, to avoid temporary rate fluctuation. As reinsurance expenses can only be estimated at the time pool rates are developed, the primary use of this fund will be to cover costs of estimates that were low when rates were developed, as this would only affect the rates for that year. Additional amounts may be set aside to account for unexpected increases in reinsurance costs or other expenses, to allow for gradual rate change over multiple years.

The **Dividend Plan** should be used to return excess Net Assets to members in the manner described in the Dividend Policy.

Surplus should not exceed 100% of contributions unless the board has specific needs for such surplus which may include the following:

- Expectation of new membership;
- Development of a new line of coverage;
- Development of new or expanded coverage; or
- Development of new or expanded services.



DIVIDEND POLICY

PURPOSE

Manage Net Asset levels to assure adequate assets to protect UCIP while not exceeding statutory limitations on Net Assets.

GOAL

Manage Net Asset levels between 90% and 100% of annual revenue.

PROCEDURE

If Net Assets exceed 90% of annual revenue, the Board may issue dividends. If Net Assets exceed 100% of annual revenue, the Board shall issue dividends. Dividends may be issued as Experience Dividends and/or Equity Dividends.

Experience Dividend – If Net Assets exceed 90% of annual revenue, the Board may issue an Experience Dividend. Members with loss ratios significantly below the average member loss ratio would be eligible for an Experience Dividend. Average member loss ratio would be calculated on the year in which the dividend is issued and on a multi-year basis, at the Board's discretion.

Equity Dividend – If after an Experience Dividend is provided, Net Assets remain in excess of 90%, the Board may issue an Equity Dividend to the membership. If after the Experience Dividend is provided, Net Assets remain in excess of 100%, the Board shall issue an Equity Dividend to the membership. For purposes of the Equity Dividend, equity will be calculated in accordance with the equity calculation in the Interlocal Agreement.

REQUIREMENTS

To receive an Experience Dividend a member must:

- Be continuing membership in the Pool for the prospective year; and
- Maintain a loss ratio significantly below the average member loss ratio; and
- Comply with specified Best Practices Program requirements as determined by the Board.

To receive an Equity Dividend a member must:

- Be continuing membership in the Pool for the prospective year; and
- Have an individual equity to annual contribution ratio of at least 90%.

LIMITATIONS ON DIVIDENDS

The total of Experience and Equity Dividends shall not deplete the Pool's total Net Assets below 90% of annual revenue.



UTAH COUNTIES INDEMNITY POOL

BEST PRACTICES STANDARDS

2012

I. GENERAL RISK MANAGEMENT:

- A. The Member County has a designated Coordinator or Risk Manager who is responsible for coordination of coverage services between UCIP and the Member County. These responsibilities include:
1. Reporting all claims to UCIP in a timely fashion;
 - a. Serious claims within one working day. Serious claims include:
 - (i) Any accidents involving death, hospitalization, or personal injury;
 - (ii) Vehicle pursuits which result in death, injury of any person, or destruction of third party property;
 - (iii) Shootings involving deputies;
 - (iv) Involuntary terminations which the county reasonably believes might result in litigation;
 - (v) Sexual harassment allegations which the county reasonably believes might result in litigation;
 - (vi) Planning and zoning issues where the parties threaten litigation or that are likely to result in claims or lawsuits.
 - b. Other claims shall be reported to UCIP within ten days of notification to the Member Coordinator. Unless otherwise requested by UCIP, claims should be filed electronically and should be followed up within a reasonable amount of time with:
 - (i) A completed notice of claim form;
 - (ii) A copy of the claim;
 - (iii) Copies of all relevant reports, including police reports
 2. Coordinating the implementation of the Best Practices Standards and other risk management strategies with the UCIP Loss Control Manager and the various County departments; and

3. Supplying UCIP with the necessary information as required for membership renewal.
- B. Claims Handling Policy. The county must have written policies and procedures for handling claims and lawsuits. This may be accomplished through circulation of a memo. The written policy or memo must state that all lawsuits and Notice of Claims received shall be forwarded to the Member Coordinator or designee.
- C. Policy Renewal Information. ALL policy renewal information must be received by UCIP on or before June 30 (contact Sonya White for details).
- D. Accident Review Board. County shall establish by resolution or other official action by the governing body, an Accident Review Board which shall review all Motor Vehicle Accidents and other incidents involving damage to property or injury to person(s). Upon reviewing such incidents, the Board shall:
1. Make a determination of fault;
 2. Recommend disciplinary action to the department head of any employee or officer found to be at fault;
 3. Meet on a regular basis, but not less than quarterly (unless there are no accidents to review);
 4. Keep written minutes and a copy of the minutes shall be made available to UCIP upon request;
 5. Review all accidents involving county drivers (including road department and Sheriff's Office personnel) and/or vehicles that have been reported to UCIP and send copies of the accident reviews, or reports to UCIP.

II. AUTOMOBILE LIABILITY

- A. The Member County checks driver's licenses (Motor Vehicle Reports) of all operators of county vehicles (including volunteers) and those who the County should reasonably anticipate will drive a vehicle in the scope of employment:
 - 1. Before extending offer of employment or, in the alternative, extend a conditional offer of employment based upon County's satisfaction with the applicant's driver's license history;
 - 2. Annually to determine status, restrictions, or modifications; and
 - 3. Shall provide a written statement to be received by UCIP on or before the first of July of each year, stating that the County has checked the driving record of each employee or volunteer who is expected to drive on county business; and
 - 4. Provide a copy of the driving record to UCIP for any individual who has one or more of the following:
 - a. DUI (drugs or alcohol), or alcohol related reckless during last 24 months;
 - b. Two or more moving violations during last 12 months, or
 - c. Driver's license revoked or suspended in the last 12 months.
 - 5. Maintain Motor Vehicle Reports obtained, keep the reports on file for at least two years make them available for inspection upon the request of UCIP.
- B. The Member County maintains written records of all maintenance performed on each county-owned vehicle or heavy equipment.
- C. The county has the following written policies:
 - 1. Use of seat belts required of all drivers and passengers in county vehicles;
 - 2. All accidents involving county vehicles are to be reported immediately to the department head;
 - 3. A Distracted Driver Policy for drivers of motor vehicles which prohibits use of PDA's, Laptops and cell-phones (excepting hands-

free devices) by the driver while the vehicle is in motion. Such policies shall apply to all employees, including Law Enforcement.

- D. The Member County provides and retains documentation of annual driver safety training to all employees and volunteers who drive on county business.
- E. The Member County requires each employee or volunteer who is expected to drive a motor vehicle on county business and has an offense as set forth in A.4 above, to complete a UCIP approved driver-training course, prior to September 1 of the current year.
- F. The Member County requires each employee or volunteer who is expected to drive on county business to complete a driver's training course which is approved by, or offered by, the Pool within 6 months of their appointment.
- G. The Member County has a policy which requires volunteers who drive on county business and who are age 68 and above, to complete the AARP Driver Safety Course (or other mature driver program) before driving for the county.
- H. The Member County has a written policy that employees who have, while driving in the course of employment, caused two or more vehicle accidents as determined by the ARB within a two-year period of time shall lose driving privileges, be reassigned to a non-driving position, or be terminated from employment.

III. HUMAN RESOURCES

- A. The Member County has verified that it does comply with the requirements of the County Personnel Management Act or that the Act does not apply to the County.
- B. The Member County has policies and procedures which are reviewed annually and updated as necessary and, at a minimum:
 - 1. Set forth procedures for recruitment, interviewing, and hiring that are in compliance with State and Federal law;
 - 2. Contain prohibitions against illegal discrimination;
 - 3. Set forth procedures for discipline and termination which comport with legal requirements, including Lourdermill hearings;
 - 4. A clear and unambiguous contract disclaimer;
 - 5. A statement definitively asserting that employment is at-will;
 - 6. A policy regarding the implementation of the Family and Medical Leave Act, which reflects the most recent changes in the law;
 - 7. A statement as to whether and to what extent policies apply to law enforcement officers employed by the sheriff.
- C. The Member County has made a copy of the policies available to each employee and explained to the employee in writing where a copy of the policies can be obtained for reference.
- D. Each employee has signed a statement that the employee has been oriented and that the employee knows how to access the policy.
- E. Each employee is notified of updates of the policy and such notice is documented.
- F. The county has adopted a written drug and alcohol testing program that is consistent with federal and state laws. The policy contains the following elements when applicable:
 - 1. Pre-employment testing;
 - 2. Reasonable suspicion testing;

3. Post accident testing in accordance with county policy;
 4. Random testing for safety sensitive positions only;
 5. Random testing in accordance with federal regulations for drivers holding a Commercial Driver's License (CDL);
 6. Policy regarding positive results which includes a statement of the employee's rights
- G. The County has adopted a written Title VII Harassment policy (including sexual harassment) that:
1. States that this type of conduct prohibited;
 2. Does not require or advise the victim to address a complaint to the alleged harasser;
 3. States clearly how a complaint may be made and to whom;
 4. Provides for an alternate to whom a complaint may be made and at least one of the persons to whom a complaint may be made is a female;
 5. Clearly states the appeals process or refers to the county's appeals process under which an appeal for specified personnel actions may be made; and
 6. Prohibits retaliation against employees for giving evidence regarding, or filing claims of, harassment or discrimination.
- H. The county has a policy requiring all volunteers to be approved by the county pursuant to Utah Code Section 67-20-4 prior to service being rendered.
- I. Each employment position has a current job description which is in compliance with the ADA—establishing the essential functions of the job and describes the working conditions, physical and mental requirements of the work.
- J. All employees shall receive training on Title VII Harassment upon hiring and at least every third year thereafter.
- K. Each employee is oriented upon hiring. The orientation shall include:

1. Training on the employee policies and procedures with particular emphasis on:
 - a. Harassment
 - b. At-will employment
 - c. Equal opportunity employment
 - d. Work schedule
 - e. Work Safety
 2. Employee shall have access to a copy of the policies and procedures and shall acknowledge that he or she has opportunity to read the policy; and
 3. Information regarding employee rights under the FMLA.
- L. Each supervisor is trained upon appointment or as soon as is practicable thereafter. Training shall include at a minimum:
1. FLSA;
 2. FMLA;
 3. ADA;
 4. Harassment;
 5. Hiring practices;
 6. Discipline and Employee Evaluations;
 7. Termination process;
 8. Communication skills;
 9. Workplace safety;
 10. Workers' Compensation; and
 11. Loss Control
- M. All Training shall be documented and the documentation retained for at least four years.

IV. LAW ENFORCEMENT

- A. The Sheriff's Office shall have field operations policies and procedures regarding the following, which reflect the current requirements of State and Federal Law:
 - 1. Use of Force;
 - 2. Vehicular Pursuit and Emergency Driving Operations;
 - 3. Search and Seizure;
 - 4. Domestic Incident;
 - 5. Forcible Entry;
 - 6. Officer-Involved Shootings/Fatalities;
 - 7. Arrest and Detention;
 - 8. Juvenile Operations; and
 - 9. Non-fraternization with inmates, probationers, parolees
- B. The Sheriff's Office provides training annual training for all patrol deputies in the following areas:
 - 1. Use of Force;
 - 2. Officer-involved fatalities;
 - 3. Domestic Incident;
 - 4. Forcible Entry;
 - 5. Arrest and Detention; and
 - 6. Search and Seizure
- C. The training may emphasize practical application, a review of legal requirements, or some combination of the two
- D. The Sheriff's Office provides annual Vehicular Operations training for all deputies involved in field operations, including an in-car practicum every third year.
- E. All training should be documented by roster and shall be maintained for at least four years.

V. JAIL OPERATIONS

- A. The Member County Jail shall have policies and procedures which reflect current State and Federal Law including:
 - 1. Use of Force in the correctional setting;
 - 2. Strip Search;
 - 3. Religion and Religious Land Use and Institutionalized Persons Act (RLUIPA);
 - 4. Legal Access;
 - 5. Discipline;
 - 6. Mail and other printed material;
 - 7. Jail Suicide;
 - 8. Medical Access; and
 - 9. Prison Litigation Reformation Act (PLRA)
- B. Annual training is provided by the Member County jail on each of the above policies and procedures to all corrections officers. The training may include a legal update as well as a practicum.
- C. The Member County Jail has adopted a jail policy that is consistent with the current Utah Jail Standards insofar as it is consistent with State and Federal law.
- D. The Jail has passed the annual Utah Jail Standards compliance inspection.
- E. All training should be documented by roster and shall be maintained for at least four years.

VI. PUBLIC WORKS/ROAD CREW

- A. The Member County has at least one copy of the Manual on Uniform Traffic Control Devices (MUTCD) and uses it as reference for the placing and maintaining of signs and other traffic control devices
- B. The Member County maintains a written (or computerized) inventory of all (at least 98%) county-maintained traffic control devices.
- C. Written records of regular inspections of all traffic signs must be kept and include any maintenance conducted. Inspections must be conducted at least annually.
- D. The county has a written emergency response program for reports of damaged or missing signs that:
 - 1. Specifies the office or employee to which reports are to be forwarded;
 - 2. Specifies the priority for response to a report of a missing or damaged sign;
 - 3. Specifies that "stop" signs are to be replaced immediately, and, when necessary, the county will request the Sheriff's Office to respond to a report of missing or damaged "stop" signs at hazardous intersections until the sign is replaced; and
 - 4. Requires that all reports of missing or damaged signs are kept along with a written report stating the replacement or repair date, the employee who made the repair, and the time the repair was made.
- E. The Member County has a written policy regarding the notification about, and the repair of, damaged or impaired road services. Reports of damage should be documented and work orders should be issued and retained.
- F. The Member County road department shall document that personnel have received job-specific training consistent with manufacturer's specifications for safe operation of heavy equipment and other machinery prior to operation on a particular project.
- G. The Member County road department personnel have been trained on how to conduct a pre-trip inspection on licensed heavy vehicles, are required to conduct pre-trip inspections, and keep written logs of the inspections in the vehicle.
- H. All training should be documented by roster and shall be maintained for at least four years.

VII. PLANNING AND ZONING

- A. The Member County must have adopted a General Plan in accordance with the Utah Code.
- B. The Member County must have adopted a zoning ordinance in accordance with the Utah Code and applicable Federal law.
 - 1. The Zoning Ordinance is reviewed annually and updated as needed.
 - 2. The Zoning Ordinance shall address Residential Treatment Facilities as permitted uses consistent with the Federal Fair Housing Act and amendments.
 - 3. The Zoning Ordinance shall comply with the Religious Land Use and Institutionalized Persons Act (RLUIPA).
 - 4. The Zoning ordinance shall comply with the Federal Endangered Species Act.
- C. The Member County must have adopted a subdivision ordinance in accordance with the Utah Code.
- D. All members of the planning commission receive orientation training on their position within the first year of appointment.
- E. All members of the planning commission receive training at least every twenty-four months regarding the legal duties of a planning commissioner.
- F. All Planning and Zoning staff members shall have annual training on their legal responsibilities.

VIII. FACILITIES MAINTENANCE AND MANAGEMENT

A. Facilities Maintenance:

1. Each county-owned structure will be inspected annually to assess damage, public safety issues needed repairs; and
2. At least one member of the facilities maintenance staff attends annual training on some aspect of facilities maintenance.

B. Facilities Management:

1. The county requires third-party users of county-owned or leased facilities, including all facilities insured by the county through UCIP, to sign an indemnification (hold-harmless) agreement approved by the county attorney; and
2. The county has adopted a written policy detailing the circumstances under which proof of insurance by third party users is required. When such insurance is required, the policy shall also require:
 - a. Liability insurance certificates from third parties using county-owned facilities, including all facilities insured by the county through UCIP;
 - b. That approval by the county governing body or its designate be obtained in writing before waiving the insurance requirement;
 - c. That copies be obtained of all certificates, and that written record of the waiver by the county of the insurance requirement and copies of certificates be kept on file for a period of at least five years; and
 - d. That the certificates be in the amount of at least \$2,000,000.

C. County has a written policy that no alcohol is to be served at county facilities unless compliance with all State and local laws regarding the dispensing of alcohol has been obtained, additional insurance is obtained, and requiring the following:

1. Additional security around the vendor selling alcohol;

2. Hours of service (including no later than one hour before event closing time);
 3. Designation of non-drinking areas (including parking lots as non-drinking areas); and
 4. Stating that alcohol is not to be sold to vendors, employees of any vendor, employees of the fair, employees of any carnival, ride, or attraction, security personnel, or participants in events.
- D. The Member County policies governing the use of fairgrounds, and other public facilities and parks including use of arenas, buildings, and property are posted at each facility and clearly and conspicuously state that use of the facility as at the risk of the user and the county is not liable for damages or injuries.
- E. Playgrounds and parks owned and managed by the Member County shall be inspected annually for public safety purposes.
- F. Inspections and repair work—including generated work orders shall be maintained for a period of at least four years.

Sonya White

From: Gary Anderson <GaryA@utahcounty.gov>
Sent: Tuesday, October 09, 2012 11:07 AM
To: Sonya White
Subject: Re: AGRIP Travel from Airport to Hotel

Sonya:

As you know, Utah County has withdrawn from UCIP and I will therefore be submitting my resignation from the Board of Trustees. In light of my pending resignation, I don't feel going to AGRIP is in my or UCIP's best interest.

I know that Kent Sundberg still plans on going and therefore Utah County will still be represented.

I appreciate all the arrangements you have made for me regarding the trip and hope this is not an inconvenience for you.

Thank you. I will contact you later regarding my resignation.

Thank you again.

Gary J. Anderson

>>> "Sonya White" <sonya@ucip.utah.gov> 10/8/2012 1:40 PM >>>

Hello Gary and Steve,

There isn't a shuttle from the airport to the Newport Marriott. Since you are on the same flight, please travel by 15 minute cab/taxi to the hotel and submit your receipt(s) to me.

Thank you and please call my cell phone if you have any problems.

Sonya White

Chief Financial Officer

Utah Counties Indemnity Pool

PO Box 95730

South Jordan, UT 84095-0730

801-307-2113 *d*

801-568-0495 *f*

801-558-8060 *c*

ucip.utah.gov

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Version: 2013.0.2793 / Virus Database: 2624/5882 - Release Date: 11/08/12



THE INDEMNITY POOL DIFFERENCE

Established in 1992, the Utah Counties Indemnity Pool was created by Counties, is owned by Counties and governed by Counties. Pooling is a practical extension of local government's obligation to be a good steward of public funds and is a prime example of efficient government through Interlocal Cooperation.

The ANNUAL MEETING of the MEMBERS

Date

December 6, 2012
11:30 am - 5:00 pm

Place

Thanksgiving Point
3003 N. Thanksgiving Way
Lehi, Utah

11:30 Holiday Lunch
Rose Room, Restaurant Building

12:30 Meeting
Amber Room, Dinosaur Museum

THE MEMBERSHIP MEETING AGENDA

Welcome and Introduction of the Board of Trustees

Business Session

Member Roll Call
Approval of December 2011 Minutes
Nominating Committee Report
Trustee Candidate Speeches
Election Trustee Positions
Financial Report

Information and Discussion

CEO Report

Membership Policy and Update
Coverage Changes Approved and Proposed
Contribution Calculation Policy
Dividend Policy
Reserve Deterioration Policy
Rate Stabilization Policy

President's Report

Board Activity Report
UCIP/UAC Relationship
Board Governance Issues

Recognition Awards

Election Results



Public Meeting Notice Admin

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Notice Title:

Board of Trustees Meeting

Government Type:

Special Districts

Entity:

Utah Counties Indemnity Pool

Public Body Name:

Board of Trustees

Notice Subject:

Administrative Services

Notice Type:

Meeting

Street Address:

2537 W. Entrada Trail

Street Address continued:

City:

St. George

Zip:

84770

Start Date:

11/15/12 7:00 PM

End Date:

11/15/12 9:00 PM

Description / Agenda:

Call to Order

Review/Excuse Board Members Absent

Zions Wealth Management Quarterly Report

Approve October 4, 2012 Meeting Minutes

Ratification and Approval of Payments and Credit Card Transactions

Review/Approve Third Quarter Financial Statements
Review/Approve Tooele County Contribution Adjustment
Review/Approve Net Asset Management Policy
Review/Approve Terms of UAC Relationship Proposal
Set Date and Time for Closed Meeting
to Discuss Character, Professional Competence, Physical/Mental Health of an Individual
Action on Personnel Matters
Set Date and Time for Closed Meeting
to Discuss Pending or Reasonably Imminent Litigation
Action on Litigation Matters
Nominating Committee Report
Review Proposed Changes to the Bylaws Coverage Addendum
Chief Executive Officer's Report
Other Business

ADA:

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, PO Box 95730, South Jordan, UT 84095, or call 801-307-2113, at least three days prior to the meeting.

Electronic Participation:

Any Member of the Utah Counties Indemnity Pool Board of Trustees may participate telephonically.

Other:

Emergency Notice:

No

Send copy of notice to:

kstowe@mediaoneutah.com

Attachments:

There are attachments associated with this notice.

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Catering Contract

Contact Person: Sonya White
Address

Phone: 801-307-2113
Email: sonya@ucip.utah.gov
Event Name: UCIP Dinner

Event Date: November 15th , 2012

Time: 6pm
Area: Joshua and Ocatillo

THIS CATERING CONTRACT ("Contract") is made and entered into this Sept. 14th, 2012, by and between ENTRADA AT SNOW CANYON COUNTRY CLUB ("CLUB"), and above listed CLIENT ("Client").

Site Rental

Site rental includes the following to accommodate your event: Site coordinator, set-up, takedown and rental of in-house tables, chairs, linen tablecloths and napkins, china, glassware, and flatware. Charges will apply for any additional rental items needed.

Food and Non-Alcoholic Beverage Catering Minimum

This is a minimum spending requirement that may exceed the actual food and beverage charge. Final menu and set-up arrangements will be determined at a later date. This minimum does not include site fee, equipment rental, bar service, purveyor services, tax, or gratuity. Should your charges for food and non-alcoholic beverage fall below the required minimum; the difference will be charged as additional site fee. We will be happy to suggest additional menu items in order to reach the minimum spending requirement. All food, non-alcoholic beverage and bar menu prices are subject to change without notice as determined by market fluctuations. Club will provide all food and beverage preparation and service. Outside caterers or beverage services will not be allowed on premises. No outside food and/or beverages is allowed and any outside food and/or beverage must be approved. Food and/or beverages are not to be removed from the property. All food and rental items are subject to appropriate state and local taxes as well as a 19% service charge.

Bar Services:

We are in compliance with UDABC and Utah State Liquor Laws. We are responsible for monitoring the condition of our guests and reserve the right to terminate all bar services or to excuse any guests in violation of our regulations or those who present a danger to themselves and others. Taxi and other transportation services are available. Without exception, Club staff must serve all alcohol on premises. Club may provide any alcohol sold by the UDABC for your event. Alcoholic beverage service must conclude by 12:00am. We appreciate your cooperation.

Guest Counts:

Guaranteed Guest Count Date: Nov. 1st, 2012 by 12:00pm

After this date, your guest count may increase from the guaranteed number, but it may not be reduced. Final charges will be based on the banquet event order (BEO) menu selection and your confirmed guest count or the actual number count taken at your event, whichever is greater.

Regulations:

- Because this is a private club, a guest list is required to be provided for our gatehouse.
- Non-member use of Club is limited to the banquet rooms and event lawn areas. Approval is required for use of any Member's Only Area in writing. Member's Only Area consists of main level of Clubhouse, Sports & Fitness Center and Golf Course.
- Additional labor charges of \$100.00 per hour will be added to the final bill if the function extends over the contracted seven hour function time.
- Pins, tacks, tape or any other item(s) may not be attached to any permanent structure on the property.
- All signage to be posted must have written approval from Club management.
- Guests are prohibited from throwing rice, birdseed, confetti or any other like items.
- Contained candles may be used inside the property, if previously approved by Club.
- Outside amplified entertainment must cease by 10:00pm due to city ordinances. Indoor entertainment may continue until 12:00am.

Damage Waiver:

Club is not responsible for any equipment or materials that are damaged, lost, or left unattended prior to, during and following any event. All items must be removed from the property at the conclusion of your event.

The Client agrees to indemnify and hold Club and its officers, directors, owners, employees, and agents harmless from and against any and all losses, claims, damages and liabilities.

The Client is responsible for, and shall reimburse Club for any damage, loss or liability incurred to the property by the Client, any of the Client's guests or organizations contracted by the Client to provide services or goods before, during and after the event.

Cancellations:

The following represents a reasonable effort on behalf of Club to establish its actual damages to be paid by the Client in the event of cancellation of this agreement.

- If cancellation of contract occurs within 120 days or greater from event date, then 50% of initial deposit/payment(s) received will be refunded.
- If cancellation of contract occurs within 119 days or less from event date, Client will forfeit 100% of all deposit/payment(s) received.

Payments:

An initial deposit of \$400.00 will be due with your signed contract. Full payment of your balance is due ten business days prior to your event. A 19% service charge is added to all charges. Current Utah State sales tax of 0.00% will be added to site fee total and 7.25% will be added to the food and beverage total.

Agreement:

Both the Client and Club representative must initial any revisions in this agreement before the revisions will be considered binding.

I, Sonya White, (print name) understand and agree to the terms outlined above by submission of this \$400 deposit, I hereby reserve Thursday, November 15, 2012. The Client hereby agrees to hire Club for services listed on this catering contract, banquet event order, and upon all terms and conditions set forth herein. The terms of the front page and of this contract and banquet event order shall constitute as a single agreement.

Sonya White
Client Signature

09/28/12
Date

Club Representative

Date

BOARD MEETING, ENTRADA, November 15, 2012

Trustee	Berry Salad	Spinach Salad	Halibut	Prime Rib	Filet Mignon	Cheesecake	Cookies	Fruit
Bruce Adams	1			1			1	
Kristine	1				1		1	
Kay Blackwell	1			1		1		
Shelley		1			1		1	
Craig Dearden	1			1		1		
Cheryl	1		1					
Brad Dee	1				1	1		
Marsha	1		1			1		
Jim Eardley	1				1			1
Jerry Hurst	1			1		1		
Karla Johnson	1			1				1
Bret Millburn	1			1		1		
Cameron Noel		1	1			1		
Sarah		1	1			1		
Kent Sundberg	1				1	1		
Steve Wall		1			1		1	
Mike Wilkins	1				1	1		
Johnnie Miller		1		1		1		
Sonya White	1				1		1	
Mark Brady	1		1					1
Greg Aiken	1			1			1	
Scott Burnett		1			1		1	
	16	6	5	8	9	11	7	3

